RICHARD SHELBY ALABAMA

RANKING MEMBER - COMMITTEE ON BANKING, HOUSING, & URBAN AFFAIRS

COMMITTEE ON APPROPRIATIONS

BANKING MEMBER - SUBCOMMITTEE ON COMMERCE. JUSTICE, SCIENCE, & RELATED AGENCIES

SPECIAL COMMITTEE ON AGING

304 RUSSELL SENATE OFFICE BUILDING WASHINGTON, DC 20510-0103 (202) 224-5744

United States Senate

WASHINGTON, DC 20510-0103

November 22, 2010

O HUNTSVILLE INTERNATIONAL AIRPORT 1000 GLENN HEARN BOULEVARD BOX 20127 HUNTSVILLE, AL 35824 (256) 772–0460

O 113 SAINT JOSEPH STREET 445 U.S. COURTHOUSE MOBILE, AL 36602 (251) 694–4164

STATE OFFICES:

O 1800 FIFTH AVENUE NORTH 321 FEDERAL BUILDING BIRMINGHAM, AL 35203 (205) 731–1384

O 15 LEE STREET FMJ FEDERAL BLDG., SUITE 208 MONTGOMERY, AL 36104 (334) 223–7303

O 1118 GREENSBORO AVENUE, #240 TUSCALOOSA, AL 35401 (205) 759–5047

Mr. Robert Dudley Chief Executive Officer BP 501 West Lake Park Boulevard Houston, Texas 77070

Dear Mr. Dudley,

I read with interest that BP has finalized an agreement with the State of Louisiana to provide \$18 million in seafood safety and monitoring, \$30 million in seafood marketing, and \$30 million in tourism marketing to the State. I can only assume that with the Gulf of Mexico's ecosystem inextricably intertwined and damage not confined by States' boundaries, a similar payment will be made to the State of Alabama.

The Deepwater Horizon oil spill has brought devastation to Alabama's Gulf Coast, and in particular has severely hurt our fisheries and tourism industries. In 2008, the most recent data NOAA has on fish stock assessments, commercial fishermen in the Gulf of Mexico harvested 1.27 billion pounds of finfish and shellfish that earned \$659 million in total landings revenue. In addition, recreational fishermen took 24 million fishing trips in 2008. Due to the threat of oil, federal waters were closed, resulting in reduced ability to fish the waters and numerous fishing trip cancellations. Alabama's fishing industry represents one of the largest economic engines in the State – accounting for more than \$800 million in sales and nearly 18,000 jobs. During the height of federal water closures, \$781,693 was lost in total sales per day based on modeling used by the American Sportsfishing Association. Further, the economic impact to tourism that is drawn by the availability of seafood and recreational fishing opportunities will be hurt, perhaps even more severely than the ecosystem itself.

According to Alabama's Gulf Coast Convention and Visitors Bureau, in a typical year, the Alabama Gulf Coast generates more than \$2.3 billion in tourism and is responsible for creating over 40,000 tourism-related jobs. Baldwin and Mobile counties generate over 35 percent of the entire State of Alabama's tourism each year. Since the BP oil spill, we have seen a nearly 50 percent drop in tourism-generated dollars and a substantial loss of jobs. Tourism revenues lost to the coastal economies as a direct result of the oil spill are estimated at between \$850 million and \$1 billion, a figure that does not include the additional losses to the fishing industry and shipyard repair and maintenance operations. Many locally owned businesses are desperately struggling and are on the brink of shutting their doors permanently. Consequently, municipalities are also failing to meet their budgets due to the severe decline in local tax revenues, for which they yet remain uncompensated.

The damages caused by the oil spill could last years as we are faced with a potentially severe decline in fisheries stock and a negative media image of our beaches. The economic impact is severe and extensive across the Gulf Coast, not simply limited to any one state. BP needs to commit to Alabama's recovery by funding efforts to revitalize our State's tourism and fisheries industries.

I look forward to working with you in developing an appropriate strategic approach to ensure Alabama's fisheries and tourism industry remain vibrant.

Sincerely,

Richard Shelby